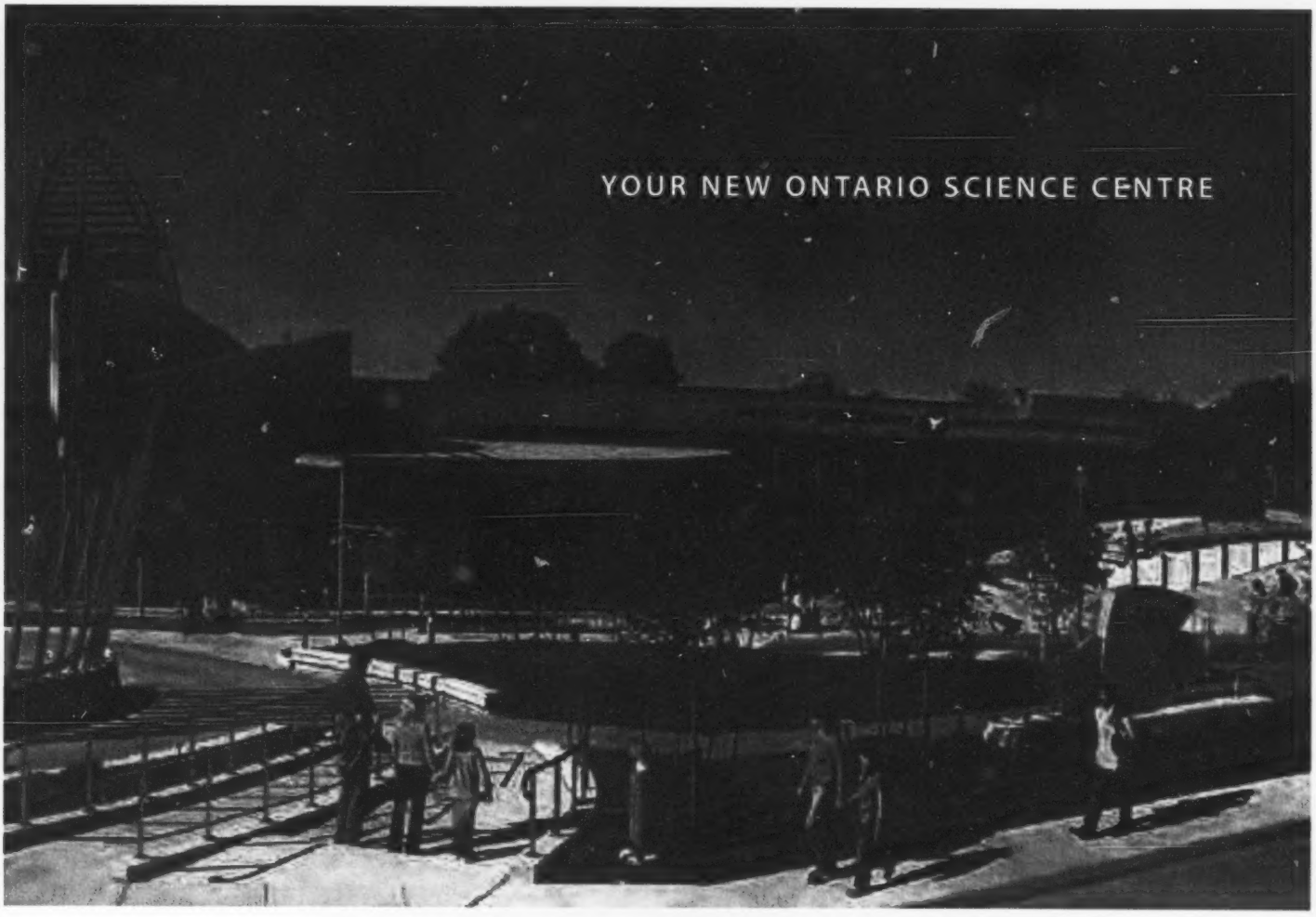
ONTARIO
SCIENCE
CENTRE



2006–2007 ANNUAL REPORT

Today, at the Ontario Science Centre, we see and do things differently, and we're inspiring others to do the same.

A YEAR OF CELEBRATION

***Mark Cohon**, Chair Board of Trustees*

***Lesley Lewis**, CEO*

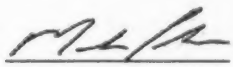
2006-07 was the culmination of the greatest transformation in the Ontario Science Centre's 38-year history. With grand openings in July (for the Weston Family Innovation Centre), September (for TELUSCAPE) and March (for Project Art), 2006-07 was indeed a year of celebration.

The $47.5 million Agents of Change initiative did more than transform 30 percent of our physical space – we have also changed our model of engagement with visitors, reached out to broader audience segments, transformed our own processes for creating experiences, and increased the Centre's impact – inside and beyond our walls. Today, our focus continues to be on science but our new approach fosters creativity and innovation in a broad array of disciplines. To generate new levels of thinking, individuals need the skills and confidence to express their ideas, creatively solve problems, work collaboratively, and take risks. We have developed experiences that will keep visitors at the forefront of science, while engaging in activities that are relevant on a personal level.

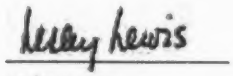
In addition to our traditional core visitors – families with children and schools – we are now attracting youth aged 14-24 (the Weston Family Innovation Centre is the first space in a Toronto cultural institution designed specifically for this age group) as well as an increasing number of adults who are, or wish to become, science literate.

Our transformation is evident on-site, off-site and online. Well over three million people visited our websites, where through podcasting and extensive use of social media, the Science Centre has moved both our own and visitor-produced content beyond our walls. Reaching out to the youth audience, an in-house videographer posts videos regularly on sites such as YouTube and Yahoo.

Today, at the Ontario Science Centre, we see and do things differently, and we're inspiring others to do the same. Our goal is to become *the* public centre for innovative thinking, creativity and collaboration in science and technology. Thank you to everyone who has played a part in this transformation – our visitors, members, donors, private and public sector partners, Board and staff. Welcome to your new Ontario Science Centre – we look forward to your active involvement!



Mark Cohon



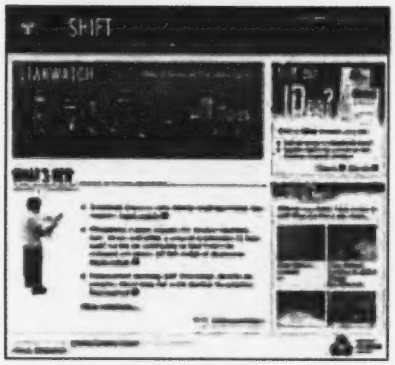
Lesley Lewis

On the cover
TELUSCAPE, the Science Centre's new front yard and a resource for the Flemingdon neighbourhood, featuring a wetland, water maze, amphitheatre for public events, and FUNtain, a musical art installation by Steve Mann.

Back page
The Ferrofluid piano, an exhibit in the new Weston Family Innovation Centre; Lotic Meander, a Stacy Levy art installation created as part of Project Art; TELUSCAPE at night.

Right
Students in the Challenge Zone of the Weston Family Innovation Centre, a new area co-created with youth where visitors design and build their own solutions to real-world problems.

A Year of Celebration



www.redshiftnow.ca

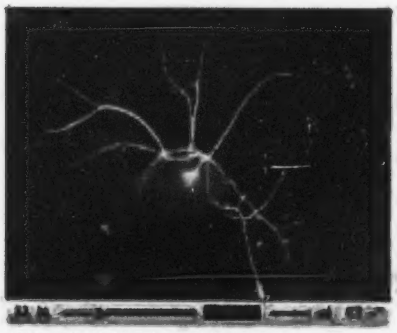
ATTENDANCE

Attracted **1,116,976** visitors – a **14%** increase over median attendance of the previous five years

Enjoyed the best March Break in eight years, with **8,000+** visitors per day – **73,871** over the 9-day period – representing an **8%** increase over the previous year

Achieved the highest number of online visits in Science Centre history – **3,227,267** in total

Made the Centre accessible to more audiences: Set record attendance for Community Access Program of **27,255**, an increase of **30%** over previous year – **350%** increase since the program started in 2001



OSC-produced video Plasma Ball on YouTube

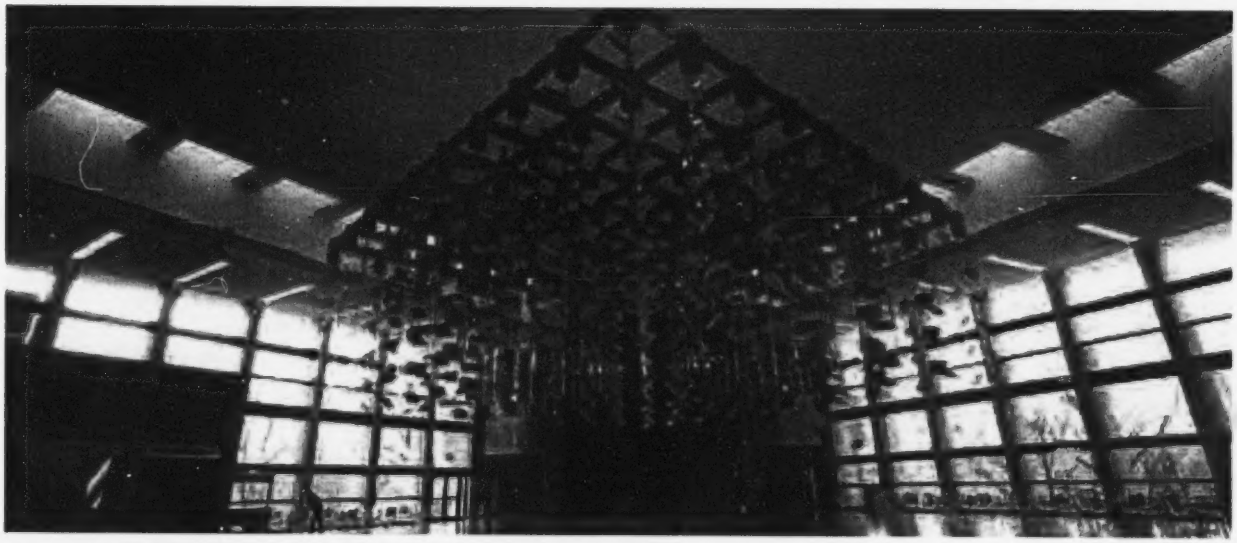
Reached over 4.3 million visitors on-site and online

EDUCATION

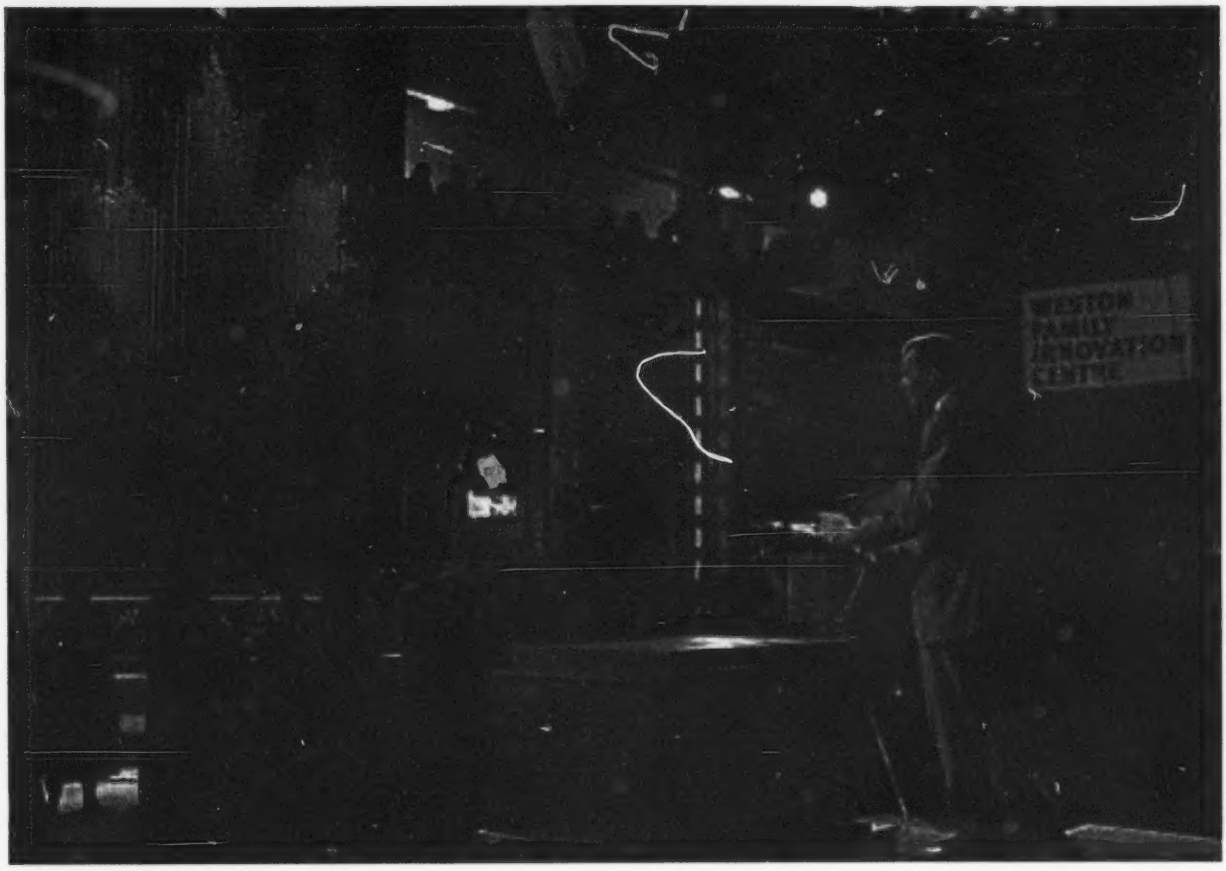
More than **2,250** schools sent classes to the OSC

221,351 students visited, representing 20% of overall OSC attendance

Continued to offer Canada's largest museum-based education program, with **49** ongoing curriculum-linked programs for students in Junior Kindergarten to Grade 12



Cloud, the centerpiece of Project Art, was created by Governor General's Award-winning artist David Rokeby.



Science Centre Chair Mark Cohan addresses guests at the opening of the Weston Family Innovation Centre Phase 2. In the background is Pipe Dreams, a new art installation by Bruce Shapiro.

EDUCATION (Cont'd)

Hosted numerous special events, including **20** programs and lectures during Earth and Space Week; Action Hero Science Show complemented the *Marvel® Super Heros™ Science Exhibition*; six "Super Monday" programs with themes ranging from "Science at the Movies" to "Drs Frank and Stein's Laboratory"; TCDSB's Mask event, where secondary school students facilitated participation of **500** grade 8 students in a competition based on Art and Technology

Won an award from the Challenger Centre for Space Science for hosting **9,500** students and running **300** programs at Canada's only Challenger Learning Centre

Our Ontario Science Centre Science School completed its **50th** semester, attracting students in the last year of high school from as far away as Dorchester, Parry Sound and Ottawa

2,200 campers aged 5 to 14 attended the Science Centre Summer Day Camp

4,800 visitors attended Science Centre Sleepovers, including a family Halloween event in October

Held **300** paid facility rental events – **87%** more than targeted; adult and corporate attendance reached **41,254** – **67%** over plan

MEMBERSHIPS

19,084 active memberships representing over 81,000 individual members

204,269 member visits to the Science Centre in 2006-07, up **13%** over the previous year

66,602 member visits to the Shoppers Drug Mart® OMNIMAX® Theatre, a **7%** increase over the previous year

Science School celebrates 50th semester

SHOPPERS DRUG MART® OMNIMAX® THEATRE

330,298 visitors included an IMAX film experience with their visit, including **91,000** students and teachers

Films shown in 2006-2007 were *Bugs! A Rainforest Adventure, Wired to Win, Spiderman 2* and *Everest*

AGENTS OF CHANGE

Completed the $47.5 million AOC initiative that has revitalized more than a third of the Science Centre's public spaces

Added more than 50 new experiences – including the high-intensity, design-and-build Challenge Zone – in **the Weston Family Innovation Centre**. !Dea card system enables participants to retrieve stop-motion animations and images of the art and devices they create in the Weston Family Innovation Centre from bilingual website RedShiftNow.ca

Opened TELUSCAPE, a free outdoor, 6,600 - square-metre discovery park open 24/7. A resource for the underserved local community, TELUSCAPE features a 350-seat amphitheatre, wetland, water maze and the interactive FUNtain art installation

Completed three major art installations – David Rokeby's *Cloud*, Stacy Levy's *Lotic Meander* and Steve Mann's *FUNtain* – after an international juried art competition as part of Project Art

INTERNATIONAL SALES

$2.6 million in sales revenue

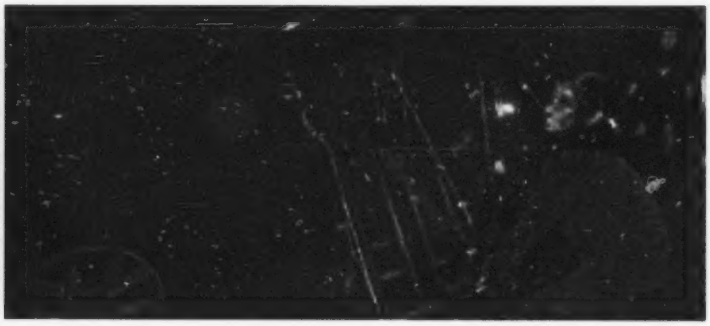
Toured large and small versions of *Strange Matter* (Edmonton, Alberta; Houston, Texas; Bethlehem, Pennsylvania; Syracuse, New York), *Jelly Belly®* presents *CANDY UNWRAPPED* (Richmond, Virginia; Louisville, Kentucky; Charlotte, North Carolina), *Circus! Science Under the Big Top* (Arkansas; Berkeley, California) and *Marvel® Super Heroes™* (Los Angeles, California; Toronto, Ontario), drawing over 1 million visitors

Built and installed 10 exhibits at the Children's Museum of Muscat, Oman

DONORS & SPONSORS

The number of individual donors increased by 8% and their average gift went up 11%

100% of members of the Board of Trustees made gifts during the year



Left
Judith McKay, Chief Administrative Officer and Legal Council for DuPont Canada, and CEO Lesley Lewis at the opening of the DuPont Canada Labs of Innovation.

Right
Visitors marvel at displays of superhuman strengths at the Marvel Super® Heros™ Science Exhibition.

More than **700 host-led and 106 pre-booked school programs** created to further foster the skills, attitudes and behaviours of innovation delivered inside the Weston Family Innovation Centre

Unveiled the DuPont Labs of Innovation, used by OSC Science School students and visiting students

Created new magazine called *NEXT*, circulation 30,000, to reflect and communicate the changing nature of the Science Centre

Received a further $1.5 million commitment to AOC for a total of $16.5 million from the Province of Ontario

55+ OSC-produced videos downloaded by 146,000+ individuals

Expanded online science education initiatives with **55+ OSC-produced videos downloaded by 146,000+ individuals** via *YouTube* and other online video channels; downloads of RedShift Report podcasts: 7,000+ monthly

SC Johnson became a presenting sponsor for Wildlife Summer

RBC Foundation, Hydro One and Amgen all became new supporters of Educational programs

Celestica renewed their support for Robotics programs

In partnership with Boys and Girls Clubs of Ontario, obtained a major grant for Robot Building Workshops from the Ontario Trillium Foundation

Secured a first-time grant from the Ministry of Research and Innovation for Payload Science program

Received another first-time grant from the Department of Canadian Heritage to develop Community Partnership Strategy

Honored supporters with a **new, permanent recognition area** on the Level A bridge, featuring annual donors, cumulative gifts, sponsorships and capital campaigns

EVENTS & PUBLIC PROGRAMS

Café Scientifique – expanded from 9 to 11 Cafés this year, with an average of 80+ attendees. Café topics included:

- Nature vs. Nurture Revisited: New research is changing the age-old debate
- Love in the Time of Science: Is romance just the right mix of genes and chemicals?
- The Consuming Craze: Is there a biological urge to buy?
- Strings vs. Loops: Why can't scientists decide how to quantize gravity?
- Is Creativity Genetic?
- HIV/AIDS: Will science provide the answers?
- Nanotechnology: The ultimate solution?

Payload Science program saw some **4,000** visitors contributing data to six separate research projects conducted on the floor of the Science Centre

$2.6 million in international sales

Hosted *Animal Grossology*, an exhibition that uses stinky, smelly and slimy animals to interest visitors in the science of the natural world

Star Parties and other events offered free in TELUSCAPE

Robotics – Hosted the Eastern Canadian Robot Games, FIRST LEGO League Robot Games and FIRST Robotics kickoff event; offered Trillium-funded workshops in partnership with the Boys and Girls Clubs of Toronto

March Break – Expanded demo program to include Dangerous Science, Kitchen Science, Cool Science, Electricity, Fashion & Health and Paper-Making Demos; the Auditorium Show sold out daily; drumming workshop in TELUSCAPE

Winter City – Participated in this 14-day, city-wide celebration with workshops on winter survival skills, ice carvings, and track identification

COMMUNITY & VOLUNTEERS

200 adult and teen volunteers contributed 16,500 volunteer hours to public demonstrations, sleepovers and summer camp programs

Eight weeks of our summer camp made available to local children who would have otherwise been unable to attend

Offered on-site co-op placements to out-of-school youth as part of a joint Ministry of Government Services-Toronto District School Board initiative to address rising drop-out rates in Toronto high schools

Fostered youth-driven initiatives including an annual Farmers' Market and production of short films by 14 local youth about life in "Flemo", working in partnership with community health workers from the Flemingdon Health Centre

Continued partnerships with guilds and clubs, developed certification courses for radio operators, and hosted regular meetings of Young Toronto Mineralogists Club (developed by OSC volunteers) and Royal Astronomical Society of Canada

Assisted the after-school programs of Grenoble, Gateway and Thorncliffe public schools, offering admission to their students and programming support

Left
An OSC robot building workshop which allows children from Toronto neighbourhoods to partner with police volunteers and solve robotics challenges.

Right
Joe Natale, TELUS EVP and President Business Solutions, and Science Centre CEO Lesley Lewis at the grand opening of TELUSCAPE.

Annual Supporters

The Ontario Science Centre gratefully acknowledges the generosity of its 2006-2007 corporate and government sponsors and donors:

Department of Canadian Heritage - Capacity Building Supporter

Jelly Belly Candy Company - Jelly Belly® presents CANDY UNWRAPPED North American Tour Sponsor

Ministry of Research and Innovation - Payload Science Supporter

Ontario Cultural Attractions Fund - Agents of Change Transitional Funding

Pepsi Bottling Group - Exclusive Soft Drink Supplier

SC Johnson - Wildlife Summer Presenting Sponsor

Shoppers Drug Mart - Shoppers Drug Mart® OMNIMAX® Theatre Sponsor

TELUS - Lead Sponsor School Programs

The Ontario Trillium Foundation through Boys and Girls Clubs of Ontario - Robot Building Workshop Supporter

Celestica - Robot Building Workshop Sponsor

Dow Chemical Canada Inc. - On-the-Floor School Programs Sponsor

Hydro One - Professional Development Programs Supporter

Amgen Canada Inc. - Science School Supporter

Maritz Canada Inc. - OSC Supporter

RBC Foundation - School Programs Development Supporter

Soberman LLP - OSC Supporter

Continuing Friends:

Mastermind Educational Technologies Inc.

Stanley Todorow Estate

"Agents of Change" Campaign

We gratefully recognize the following for their generous support in transforming over 30% of our public spaces and engaging the public in bold new ways: $47.5 million, 2003 to 2007.

$15,000,000+

The W. Garfield Weston Foundation

Government of Ontario

$10,000,000

TELUS

$2,000,000

DuPont Canada

$1,000,000

Department of Canadian Heritage

$100,000 to $999,999

BMO Financial Group

CIBC

The Frum Foundation

The Globe and Mail

Imperial Oil Foundation

The Henry White Kinnear Foundation

The Gail and David O'Brien Family

Ontario Early Years Challenge Fund

Procter & Gamble Inc.

RBC Foundation

Scotiabank Group

TD Bank Financial Group

$10,000 to $99,999

Bell Canada

Nancy Birnbaum and Rod Skelton

The Canavan Family Foundation

Mark and Suzanne Cohon

Gap Foundation

Roy T. Graydon

Hal Jackman Foundation

John and Anne MacDonald

Maritz Canada Inc.

MDA

Dr. Robert G. Miller

Howard Sokolowski and Linda Frum

Sony of Canada Ltd.

Up to $9,999

John E. Abele

Edward J. Alon

Louise and Greg Aspin

Bennett/Rathbone Family

Robert Chant

The Ken Chisholm Memorial Fund

George and Susan Cohon

Errol D'Costa

Diamante Developments

Dodaro Landscaping Services Inc.

Jonathan Goodman

Maggie and Bern Gorecki

Rosemary Hall

Bonnie and Hart Hillman

Peter Irwin

Teri A. Kirk

Lesley Lewis and Marvin Strauch

Marilyn Linton

Robert J. Macdonald

The John McKellar Charitable Foundation

Suzanne and David McQueen

Cameran Mirza

Peggy Mulligan

Paisley/Miller Family

Helene Pasen

Shoppers Drug Mart

G. Wayne Squibb

Torstar

The Troop Family

Sam Zuk

Anonymous (2)

Annual Individual Donors

The following individuals have generously supported our work in 2006-2007 to keep science learning current, relevant and accessible to all. Thank you.

Visionary $10,000+

In memory of Mr. Alfred Lehman

Innovator $5,000 to $9,999

Tony and Moira Cohen

Robert and Elizabeth Ehrenfeld

Peter Irwin, Carolyn Everson and Family

Sarah Mitchell and Eric Siebert

Champion $2,500 to $4,999

The Jadad-Garcia Family

Dr. Robert G. Miller

The Gail and David O'Brien Family

Mark and Suzanne Cohon

Mary Anne Drummond

Jonathan W. Goodman

Pioneer $1,000 to $2,499

Dr. Patrick Cheung and Dr. Latifa Yeung

David Fuller

Isabella and Nora Hahn

Bonnie and Hart Hillman

Anne and Christian Hepfer

Lesley Lewis and Marvin Strauch

John and Sarah Nagel

Anonymous

Explorer $500 to $999

Jordan and Faith Banks

Tom Gove

Federico Sanchez

Discoverer $100 to $499

Bruce Alexandor

Corie Bannister

Joan Berezowsky

The Braff Family

Dr. Lancelot A. Brown and Family

Lucy Chan

Jeremy Cohen

Thomas Connell, Sara Griffiths and Family

Maurice Corbett

Dwight Daigneault

Jim Davidson

Geoffrey Falk

The Frings Family

Warren Goldring

Samuel Gotfrid

Dr. Tom Haslett

Ann Hebert

Stephen Holford

Kathy Hoy

Winnifred Koneri

Paul Lavergne

Dean Levitt

H. Ian MacDonald

Joseph Mimran

Richard Munday

Geoffrey Ogram

Christopher Petrik

Ron Philipp

Alison Pilla

Carlos Pomalaza-Raez

Dr. Mark J. Quigley

Gretta Riddell-Dixon

J. E. Simpson

Dr. Linda Stirk and Dr. David Cole

David Strong

Graham Swanson

David and Almut Sweet

The Teitelbaum/Cohen Family

Toronto Guild of Spinners and Weavers

Tony Toy

Darren Twyford

Andrew van Nostrand

Innes van Nostrand

Bill Vass

Edith Wasson

Marshall Webb

Anonymous (2)

W. Galen Weston and past OSC Chair Nancy Lockhart (centre) along with Science Centre CEO Lesley Lewis (right) and guests at opening of Weston Family Innovation Centre.

Board of Trustees

Name	Date Appointed	Expiry Date
Chair, Mark Cohon	September 17, 2004	January 29, 2009
Vice-Chair, Peter Irwin	September 17, 2004	September 16, 2010
Jehad Aliweiwi	February 21, 2007	February 20, 2010
Jordan Banks	October 5, 2006	October 5, 2009
John R. G. Challis	September 17, 2004	December 13, 2006
Anthony Cohen	May 17, 2006	May 16, 2009
Mary Anne Drummond	December 7, 2005	December 6, 2008
David Fuller	August 24, 2006	August 23, 2009
Jonathan Goodman	June 22, 2005	June 21, 2008
Bonnie Hillman	November 10, 2005	November 9, 2008
Shanitha Kachan	November 3, 2004	December 31, 2006
Robert J. Macdonald	April 9, 2003	June 13, 2009
Robert Miller	July 31, 2002	July 30, 2008
Noella M. Milne	February 21, 2007	February 20, 2010
Sarah Mitchell	June 17, 2004	June 16, 2010
Gail O'Brien	September 9, 2002	September 8, 2008
Barbara Sherwood Lollar	April 4, 2007	April 3, 2010
Sam Zuk	July 31, 2002	July 30, 2008

The Centennial Centre of Science and Technology

Financial Statements
For the Year Ended March 31, 2007

ONTARIO
SCIENCE
CENTRE

August 1, 2007

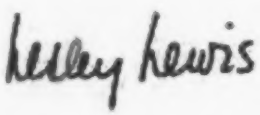
Management's Responsibility For Financial Information

Management and the Board of Trustees of the Ontario Science Centre are responsible for the financial statements and all other information presented in the Annual Report. The financial statements have been prepared by Management in accordance with the Canadian generally accepted accounting principles, and, where appropriate, include amounts based on Management's best estimates and judgments.

The Ontario Science Centre is dedicated to the highest standards of integrity in its business. To safeguard assets, the Centre has a sound set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information.

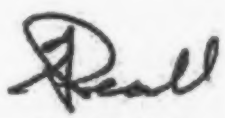
The Board of Trustees meets quarterly to oversee the financial activities of the Centre, including an annual review of the financial statements and the Auditor General's report.

The financial statements have been examined by the Auditor General. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the Auditor's examination and opinion.



Lesley Lewis
CEO

Grant Troop
Director
Business Planning
and Operations



Gary R. Peall, CA
Deputy Auditor General
Licenced Public Accountant

Toronto, Ontario
August 1, 2007

Auditor's Report

To the Board of Trustees of the Centennial Centre of Science and Technology and to the Minister of Culture

I have audited the balance sheet of The Centennial Centre of Science and Technology as at March 31, 2007 and the statements of operations, changes in equity, and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Balance Sheet

As at March 31, 2007

	2007 ($ 000)	2006 ($ 000)
ASSETS		
Current		
Cash and cash equivalents	10,341	21,986
Accounts receivable	1,089	1,135
Prepaid expenses	631	1,508
Inventory of general stores and small tools	117	114
	12,178	24,743
Capital Assets (Note 3)	45,503	39,913
	57,681	64,656
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	3,020	4,537
Deferred revenue	2,563	3,169
Due to the Province of Ontario	1,969	869
Loans Payable [Note 9(b)]	1,500	3,000
	9,052	11,575
Long-Term Liabilities		
Obligation for Employee Future Benefits	3,461	3,198
Loan Payable to Province of Ontario [Note 9(a)]	5,300	5,300
Loan Payable to Ontario Financing [Note 9(b)]	4,500	6,000
	13,261	14,498
Deferred Capital Contributions (Note 4)	37,733	36,541
Unspent Deferred Capital Contributions (Note 4)	–	2,492
	37,733	39,033
Equity		
Invested in Capital Assets (Note 5)	7,770	3,372
Deficit	(10,135)	(3,822)
	(2,365)	(450)
	57,681	64,656

See accompanying notes to financial statements.

Approved on behalf of the Centre:

Trustee

Trustee

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Statement of Operations
For the Year Ended March 31, 2007

	2007 ($ 000)	2006 ($ 000)
Revenue		
Province of Ontario		
Operating grant	13,025	13,025
Occupancy grant [Note 11(b)]	3,967	3,968
Other grants	233	167
General Admission and Parking Fees	5,209	7,175
Revenue from Ancillary Operations (Schedule 1)	11,032	10,799
Corporate Donations – Agents of Change Project (Note 12)	1,613	682
	35,079	35,816
Expenses		
General Operations		
Exhibits and Programs	1,412	1,603
Marketing and Advertising	2,185	2,445
Visitor Services	3,806	3,936
Facility Operations	6,148	5,405
Program Management	3,835	4,813
Administration	2,992	2,783
Occupancy Costs [Note 11(b)]	4,581	4,507
Expenses from Ancillary Operations (Schedule 1)	9,724	7,738
Agents of Change project (Note 12)	1,613	682
	36,296	33,912
Net income/(loss) before amortization	(1,217)	1,904
Amortization of Deferred Capital Contributions (Note 4)	4,823	1,348
Amortization Expense	(5,521)	(2,417)
	(698)	(1,069)
Net income/(loss) for the year	(1,915)	835

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Statement of Changes in Equity
For the Year Ended March 31, 2007

	2007 ($ 000)			2006 ($ 000)
	Equity Invested in Capital Assets	Deficit from Operations	Total	Total
Balance, beginning of year	3,372	(3,822)	(450)	(1,285)
Investment in capital assets	5,096	(5,096)	—	—
Net income/(loss) for the year	(698)	(1,217)	(1,915)	835
Balance, end of year	7,770	(10,135)	(2,365)	(450)

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Statement of Cash Flows
For the Year Ended March 31, 2007

	2007 ($ 000)	2006 ($ 000)
Cash and cash equivalents, beginning of year	21,986	12,091
Cash Flows from Operating Activities		
Net income/(loss) for the year	(1,915)	835
Adjustments for items not requiring an outlay of cash		
• Amortization of capital assets	5,521	2,417
• Amortization of deferred capital contribution	(4,823)	(1,348)
	(1,217)	1,904
Net change in non-cash working capital	(1,603)	(3,620)
Net cash used in operating activities	(2,820)	(1,716)
Cash Flows used in Investing Activities		
Capital Assets acquisitions	(11,111)	(11,023)
Net cash used in investing activities	(11,111)	(11,023)
Cash Flows from Financing Activities		
Net increase in other long-term liabilities	263	45
Loan – Ontario Financing Authority	(1,500)	6,000
Deferred capital contributions – agents of change	2,523	15,589
Deferred capital contributions – other projects	1,000	1,000
Net cash generated from financing activities	2,286	22,634
Cash and cash equivalents, end of year	10,341	21,986

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Schedule of Revenue and Expenses from Ancillary Operations
For the Year Ended March 31, 2007

SCHEDULE 1

	2007 ($ 000)			2006 ($ 000)		
	Revenue	**Expenses**	**Net**	**Revenue**	**Expenses**	**Net**
OMNIMAX	1,864	1,683	181	2,311	1,999	312
International Sales and Rentals	2,602	2,826	(224)	2,039	1,680	359
School Admissions/Programs	1,576	1,933	(357)	1,838	1,955	(117)
Camps	768	793	(25)	665	705	(40)
Memberships	1,822	686	1,136	1,406	623	783
Concessions	593	59	534	891	35	856
Interest	810	4	806	714	11	703
Facility Rentals	493	326	167	336	255	81
Sponsorship/Donations	412	395	17	525	388	137
Other	92	1,019	(927)	74	87	(13)
Totals	11,032	9,724	1,308	10,799	7,738	3,061

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Notes to Financial Statements
March 31, 2007

1. NATURE OF THE BUSINESS

The Centennial Centre of Science and Technology, commonly known as the Ontario Science Centre, a government enterprise of the Province of Ontario, was incorporated without share capital pursuant to the *Centennial Centre of Science and Technology Act*. The objectives of the Centre are to:

a) maintain and operate a science centre and related facilities that will stimulate the interest of the public;
b) conduct a program of education in the origins, development and progress of science and technology, and their relationship to society;
c) depict the role of Ontario in the furtherance of science and technology; and
d) collect, manufacture, market, exhibit and sell objects and displays.

As an Ontario Crown agency, the Centre is exempted from federal and provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The significant accounting policies used to prepare these financial statements are summarized below:

(A) REVENUE RECOGNITION

Operating and occupancy grants are recognized in the year they became receivable.

Revenue from exhibits manufactured for sale is recognized on a percentage of completion basis.

Revenues from general admissions, parking and other ancillary operations are recognized when the services are provided.

Pledged donations are recognized as revenue when received.

(B) EXPENSE RECOGNITION

Expenses are recognized on an accrual basis as incurred, in the period to which they relate.

(C) DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the amount of donations and government grants received and used to acquire capital assets but not yet recognized as revenue. Revenue will be recognized over the same period as the expected life of the capital assets to which they relate, in order to properly match revenues with costs.

(D) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and balances with banks.

(E) DEFERRED REVENUE

Deferred revenue is comprised mainly of the unexpired portion of annual membership dues and deposits for future exhibit rentals.

(F) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization begins when capital assets are ready for use. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Omnimax Theatre Leasehold Improvements	20 years
Leasehold Improvements	10 years
Exhibits	10 years
Exhibits – Rentals	4 or 5 years
Furniture, Fixtures and Equipment	5 years

The land on which the Centre is located is leased from the City of Toronto for $1 per annum on a 99-year lease, which commenced July 1, 1965. The Management Board Secretariat owns the buildings, which house the Centre. For details of occupancy costs see note 11(b).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) INVENTORY

Inventory is valued at the lower of cost or replacement cost.

(H) FINANCIAL INSTRUMENTS

Credit risk – The Agency is exposed to credit risk by its exhibit sales and consignment ticket sales. The Agency determines on a continuing basis, the probable credit losses and sets up a provision for losses based on the estimated realizable value.

Fair value – The carrying amount of cash, accounts receivable, due from the Province, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these instruments.

Currency risk – The Agency realizes approximately 6% of its total revenue in foreign currency. Consequently, some assets and revenues are exposed to foreign exchange fluctuations. Cash and accounts receivable shown in US dollars at year-end are converted into Canadian dollars.

(I) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

3. CAPITAL ASSETS

Capital assets consists of the following:

	2007 ($ 000)			2006 ($ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold Improvements	23,921	3,082	20,839	21,240
Exhibits	19,881	2,908	16,973	10,772
Omnimax Theatre Leasehold Improvement	15,332	8,014	7,318	7,181
Exhibits – Rentals	1,679	1,322	357	688
Furniture, Fixtures and Equipment	81	65	16	32
	60,894	15,391	45,503	39,913

Net carrying amounts of Capital Assets (Work-in-Progress) not yet being amortized as of March 31:

	2007 ($ 000)	2006 ($ 000)
Leasehold Improvements	—	18,775
Exhibits	—	7,474
Exhibits – Rentals	30	30
	30	26,279

4. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balance are as follows:

	2007 ($ 000)	2006 ($ 000)
Balance, beginning of year	39,033	23,792
Net additions/transfers during year	3,523	16,589
Amortization of deferred capital contributions	(4,823)	(1,348)
	37,733	39,033

The ending balance of deferred capital contributions consists of the following:

	2007 ($ 000)	2006 ($ 000)
Agents of Change Project	29,467	30,817
Omnimax	4,083	4,537
Health and Safety Initiatives	4,183	3,679
	37,733	39,033

5. EQUITY INVESTED IN CAPITAL ASSETS

Equity invested in capital assets represents the following:

	2007 ($ 000)	2006 ($ 000)
Capital assets, net	45,503	39,913
Less amount financed by deferred capital contributions	(37,733)	(36,541)
	7,770	3,372

6. PROPERTY MAINTENANCE AND REPAIRS

Certain maintenance and repair expenses of the Centre are absorbed by the Province of Ontario, through Ontario Realty Corporation, and are not included in the Statement of Operations.

7. ECONOMIC DEPENDENCE

The Centre is dependent on the Province of Ontario for financial assistance to cover some of the cost of operations.

8. EMPLOYEE BENEFITS

(A) PENSION BENEFITS

The Centre provides pension benefits for substantially all its permanent employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension fund (OPSEU Pension Fund) which are multi-employer plans established by the Province of Ontario. These plans are accounted for as defined contribution pension plans as the Centre has insufficient information to apply defined benefit plan accounting.

The Centre's contributions related to the pension plans for the year were $1,025,257 (2006 – $1,016,956). These contributions have been included in the salaries and employee benefit costs allocated to various expensed categories in the Statement of Operations. See also note 10.

(B) NON-PENSION BENEFITS

The costs of severance entitlements under the *Public Service of Ontario Act* and unused vacation entitlements earned by employees during the year are accrued for in the financial statements. The cost of post-retirement non-pension benefits are paid by the Ministry of Government Services and are not included in the Statement of Operations

9. LOANS PAYABLE

(A) LOAN FROM PROVINCE OF ONTARIO

The Province made an interest-free repayable loan of $5.3 million to the Centre to construct the Omnimax Theatre. The Centre shall repay this loan by annual payments commencing in 1999/2000 in amounts equal to 50% of the average annual profits as disclosed in Schedule 1 minus an overhead cost allocation, received by the Centre from the Omnimax Theatre during the previous two fiscal years, if any. Such annual payments shall continue until the principal of the loan is repaid.

9. LOANS PAYABLE (Continued)

(B) LOAN FROM THE ONTARIO FINANCING AUTHORITY

In 2005/06, the Ontario Financing Authority (OFA) lent the Centre $10,000,000, at short-term interest rates calculated by the OFA and payable quarterly. The Centre had repaid $4,000,000 of the principle loan balance by March 31, 2007. The remaining balance is to be repaid as follows:

	($ 000)
2007/08	1,500
2008/09	500
From 2010 to 2017	4,000

10. BREAKDOWN OF EXPENSES

Expenses are reported in the Statement of Operations on a functional basis.
Total expenses by type are as follows:

	2007 ($ 000)	2006 ($ 000)
Salaries and Benefits	19,959	18,899
Other Direct Operating Expenses	16,337	15,013
	36,296	33,912

11. COMMITMENTS AND CONTINGENCY

(A) IMAX DOME PROJECTION SYSTEM MAINTENANCE AGREEMENT

The Centre has renewed its IMAX dome projection system maintenance agreement that expired this fiscal year. The new agreement commits the Centre to an annual maintenance fee of $84,000 for 2007 (adjusted to reflect future changes in the Consumer Price Index for Toronto) for as long as the Centre utilizes the system in their theatre.

(B) OCCUPANCY COSTS

Effective April 1, 1998, the Province began charging the Centre an accommodation fee for occupying its facilities. The fee covers rent, taxes, maintenance and certain operating costs. The lease expired on March 31, 2003 and it is being renewed on a year-to-year basis until a new agreement is reached between the Centre and the Province. The minimum lease payment for the coming year is $3,964,536. The Centre receives a Ministry grant each year to fund a majority of this expenditure.

12. PLEDGES FOR AGENTS OF CHANGE PROJECT

The Centre embarked on a capital project called Agents of Change, which focuses on innovation and will renew about one quarter of the Centre's public space, including the creation of seven new Experience Areas. As at March 31, 2007, the Centre has received approximately $38 million of contributions, $16.5 million of which was received from the Government of Ontario and the remainder from private sector companies or individuals. Amounts pledged but not yet received from the private sector are as follows:

	($ 000)
2007/08	1,752
2008/09	1,388
2009/10	1,012
Up to 2017/18	4,925
	9,077

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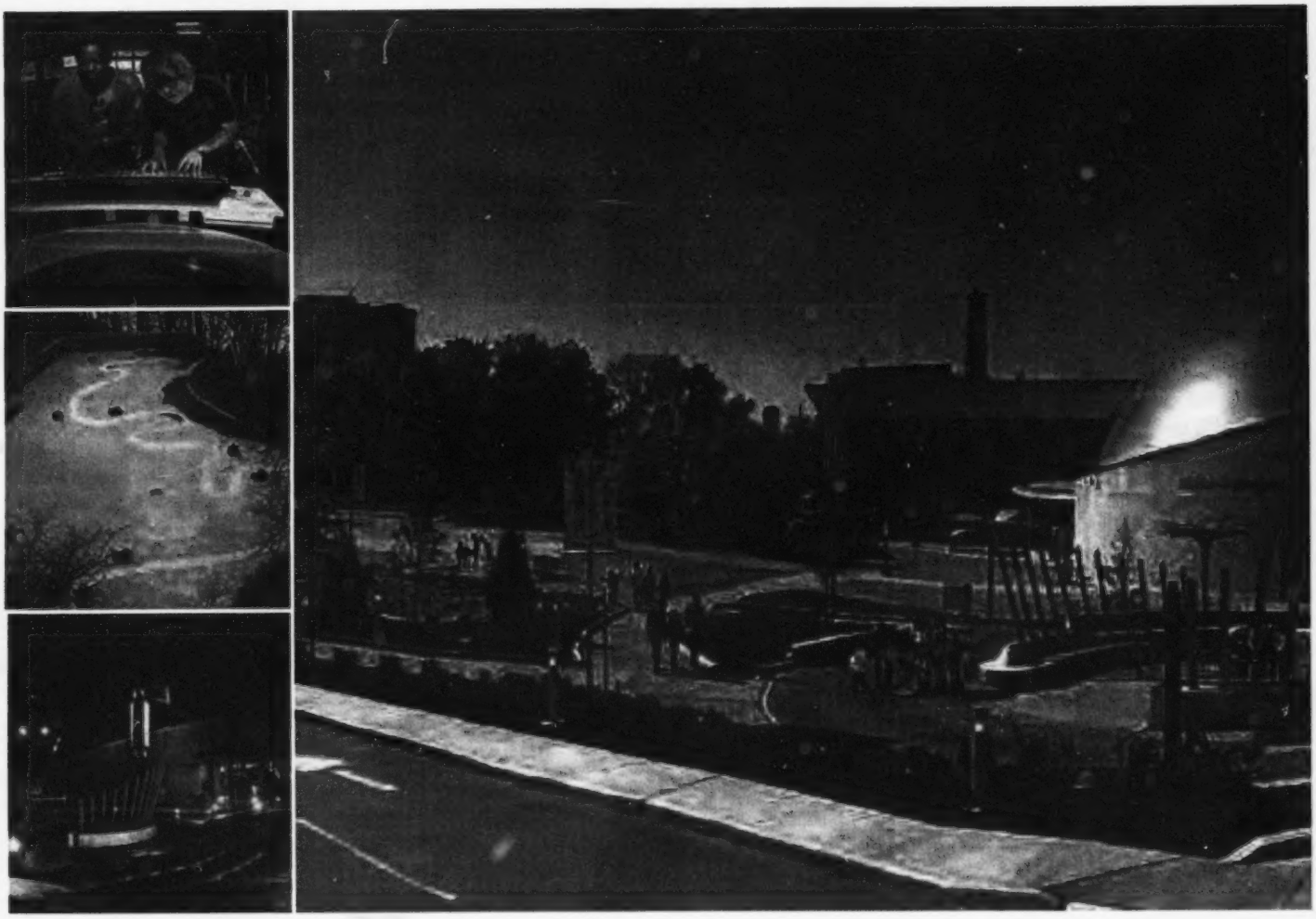
Public Sector Disclosure Act

This statement is provided under the Public Sector Salary Disclosure Act. The following employees of the Ontario Science Centre were paid a salary of $100,000 or more in 2006.

Employee	Position	Salary	Taxable Benefits
Joann Bennett	Director, Business Development	$113,697.06	$178.50
Bernard Gorecki	Director, Marketing and Visitor Services	$110,459.52	$178.50
Lesley Lewis	Director General and CEO	$149,849.01	$241.39
Jennifer Martin	Director, Visitor Experience	$110,459.52	$178.50
Hooley McLaughlin	Deputy Director, Visitor Experience	$102,790.80	$161.31
Grant Troop	Director, Business Planning and Operations	$113,697.06	$178.50

ONTARIO
SCIENCE
CENTRE



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www.OntarioScienceCentre.ca
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